

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: U S WEST COMMUNICATIONS, INC. AND CITIZENS TELECOMMUNICATIONS COMPANY OF IOWA	DOCKET NO. SPU-99-31
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**ORDER DOCKETING APPLICATION, EXTENDING REVIEW PERIOD,
SETTING PROCEDURAL SCHEDULE AND INTERVENTION DEADLINE, AND
SHORTENING TIME FOR RESPONDING TO MOTIONS**

(Issued December 16, 1999)

On November 9, 1999, U S WEST Communications, Inc. (U S West), and Citizens Telecommunications Company of Iowa (Citizens) (collectively, the Applicants) filed a joint application with the Utilities Board (Board) for approval of reorganization, discontinuance of service, and transfer of certificates, pursuant to IOWA CODE §§ 476.77, 476.20, and 476.29 (1999). The Board will docket the joint application as Docket No. SPU-99-31.

On November 15, 1999, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed an answer and a motion to extend the 90-day review period by an additional 90 days, pursuant to IOWA CODE § 476.77(2). Consumer Advocate argues that good cause exists for the requested extension because the proposed sale of exchanges presents numerous issues that do not arise in a traditional merger, such as the issue of the treatment of the gain by U S

West, treatment of the acquisition premium by Citizens, retention of deferred taxes by U S West, and the possible impact of the sale on quality of service, technological innovation, and new services.

The Board will set the application for hearing, extend the review period by 90 days, and set a procedural schedule for this docket. The Board finds that Consumer Advocate has shown good cause for extending the deadline for acting on the application by an additional 90 days for the reasons stated in Consumer Advocate's motion. Moreover, the Board cannot ignore the fact that, at present, it is reviewing an unusually large number of major reorganization filings¹. It is not possible for the Board to process all of these applications within the 90-day time frame normally contemplated by IOWA CODE § 476.77. However, the Board understands that the applicants in this proceeding desire a Board decision at the earliest possible date. Accordingly, while the Board is extending the time in this case, the Board is also establishing a procedural schedule that includes a hearing within 120 days of the date of filing, which makes it possible that the Board can issue a decision in this docket in advance of the 180-day deadline, barring unforeseen circumstances.

The Board also finds that the limited time available for this proceeding, pursuant to IOWA CODE § 476.77, means that certain other time periods should be

¹ In Re: U S WEST Communications, Inc., and Qwest Inc., Docket No. SPU-99-27; In re: GTE Midwest Incorporated and Iowa Telecommunications Services, Inc., Docket No. SPU-99-29; In re: U S WEST Communications, Inc., and Citizens Telecommunications Company of Iowa, Docket No. SPU-99-31; and In Re: MidAmerican Energy Holdings Company, MidAmerican Energy Company, Teton Formation L.L.C., and Teton Acquisition Corporation, Docket No. SPU-99-32.

shortened. Specifically, the 14-day period for responding to motions, set forth in IOWA ADMIN. CODE 199-7.7(11) (1999), is impractical in this proceeding. The Board will order that responses to all motions must be filed within five days of the date the motion is filed. In order to accommodate that abbreviated time frame, parties are directed to serve all motions by facsimile transfer or electronic mail, as well as by United States mail, on or before the date of filing.

IT IS THEREFORE ORDERED:

1. The joint application filed on November 9, 1999, by U S WEST Communications, Inc., and Citizens Telecommunications Company of Iowa is docketed for Board review, pursuant to IOWA CODE §§ 476.77, 476.20, and 476.29 (1999), as Docket No. SPU-99-31.
2. Pursuant to IOWA CODE § 476.77(2), the Board finds that the deadline for acting on the application should be extended by an additional 90 days.
3. Any persons desiring to intervene in this docket shall file a petition to intervene on or before January 13, 2000.
4. The following procedural schedule is established for this proceeding:
 - a. Consumer Advocate and any intervenors shall file any prepared direct testimony, with supporting exhibits and workpapers, on or before January 26, 2000.
 - b. Applicants shall file any rebuttal testimony, with supporting exhibits and workpapers, on or before February 4, 2000.

c. A hearing for the purpose of receiving testimony and cross-examination of all testimony will commence at 10 am on February 29, 2000, in the Board's hearing room at 350 East Maple Street, Des Moines, Iowa.

Parties shall appear at the hearing one-half hour prior to the time of hearing to mark exhibits. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Board at 515-281-5256 to request that appropriate arrangements be made.

d. Any party desiring to file an initial brief may do so on or before March 10, 2000.

e. Any party filing an initial brief may file a reply brief, responding to the arguments raised in any other party's initial brief, on or before March 17, 2000.

f. The 180-day deadline for acting on the joint application is May 5, 2000.

5. In the absence of objection, all workpapers shall become a part of the evidentiary record at the time the related testimony and exhibits are entered in the record.

6. In the absence of objection, all data requests and responses referred to in oral testimony or cross-examination which have not previously been filed with the Board shall become a part of the evidentiary record. The party making

reference to the data request or response shall file an original and six copies at the earliest possible time.

7. In the absence of objection, if the Board calls for further evidence on any issue and that evidence is filed after the close of hearing, the evidentiary record shall be reopened and the evidence will become a part of the evidentiary record five days after filing. All evidence filed pursuant to this paragraph shall be filed no later than seven days after the close of hearing.

8. Pursuant to IOWA ADMIN. CODE 199-7.7(11), the deadline for filing responses to motions will be no later than five days from the date the motion is filed. All motions should be served on all other parties, and on all persons who have filed a petition to intervene that has not yet been ruled upon, by facsimile transfer or by electronic mail as well as by United States mail, on or before the date of filing.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Judi K. Cooper
Executive Secretary, Deputy

/s/ Diane Munns

Dated at Des Moines, Iowa, this 16th day of December, 1999.